

February 2018



Farm Service Agency **Electronic News Service**

NEWSLETTER

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Louisiana FSA Newsletter

Louisiana Farm Service Agency

3737 Government Street
Alexandria, LA 71302

www.fsa.usda.gov/la

State Executive Director:
Craig A. McCain

Next State Committee Meeting:
To be determined

Please contact your local FSA Office for questions specific to your operation or parish.

To find contact information for your local office go to www.fsa.usda.gov/la

Message from Craig A. McCain, FSA State Executive Director

Another year, another fast start. As we expected, the current commodity prices have caused increased focus on the development of a financial plan for the 2018 crop. Everywhere farmers or ag interests meet, the primary subject concerns the current and future economics of crop production. The economic environment in which we operate also increases focus on risk mitigation. The 2014 Farm Bill provided several options to producers on a broad spectrum of crops. The center piece of risk management is crop insurance administered by USDA's Risk Management Agency (RMA). However, FSA administers several programs designed to assist producers during times of economic difficulty and/or poor yields. ARC/PLC and crop insurance are intended to work together to provide a safety net for producers through these difficult times. In addition, other FSA programs, such as the Noninsured Crop Disaster Assistance Program (NAP) and the Direct and Guaranteed Loan Programs are intended to provide risk mitigation and capital investment. These programs offer products that place special emphasis on meeting the needs of new and beginning farmers along with producers who are members of a historically underserved group. In addition, FSA also offers

programs to producers designed to mitigate risk for livestock and honeybees, along with many other crops. The Natural Resources Conservation Service (NRCS) offers numerous programs which provide technical assistance and/or financial assistance directed at addressing conservation needs on a farm, which will improve and sustain the natural resources on which we all depend. Persons interested in more information concerning the programs mentioned herein or who may have other questions or interests, should contact their nearest USDA service center. For service center locations, please visit <http://offices.usda.gov>. Kevin Norton, NRCS State Conservationist and myself clearly share Secretary Perdue's vision for OneUSDA; to strive to provide the highest level of customer service, and to make your needs the center of our focus. The Secretary has also challenged each employee of USDA to be guided by a simple statement which I am sure that you share..... "Do Right and Feed Everyone!" Thank you for all that you do, we look forward to working with you!

Upcoming Important Dates

- **Nov. 1 - Aug. 1, 2018** - Enrollment period for 2018 ARC/PLC
- **Feb. 28** - Sales closing date for Spring seeded crops
- **April 2** - Final Marketing Assistance Loan Availability Date for 2017 Wheat, Oats, and Honey

LA Women in Ag Conference, Feb. 22 & 23 in Alexandria; to pre-register visit <http://louisianawomeninag.com/>

Louisiana FSA now offers **SMS texting**; receive text message alerts on your cell phone regarding important deadlines, reporting requirements and updates.

Whether you are in the field, on a tractor or even on horseback, this service enables FSA customers and stakeholders to receive notifications while on the go.

Contact your local FSA Office for more information.

Unauthorized Disposition of Grain

If loan grain has been disposed of through feeding, selling or any other form of disposal without prior written authorization from the county office staff, it is considered unauthorized disposition. The financial penalties for unauthorized dispositions are severe and a producer's name will be placed on a loan violation list for a two-year period. Always call before you haul any grain under loan.

USDA Encourages Producers to Consider NAP

The Farm Service Agency encourages producers to examine available USDA crop risk protection options, including federal crop insurance and Noninsured Crop Disaster Assistance Program (NAP) coverage, before the applicable crop sales deadline.

Producers are reminded that crops not covered by insurance may be eligible for NAP. The 2014 Farm Bill expanded NAP to include higher levels of protection. Beginning, underserved and limited resource farmers are now eligible for free catastrophic level coverage, as well as discounted

premiums for additional levels of protection.

Federal crop insurance covers crop losses from natural adversities such as drought, hail and excessive moisture. NAP covers losses from natural disasters on crops for which no permanent federal crop insurance program is available, including perennial grass forage and grazing crops, fruits, vegetables, mushrooms, floriculture, ornamental nursery, aquaculture, turf grass, ginseng, honey, syrup, bioenergy, and industrial crops.

Producers can determine if crops are eligible for federal crop insurance or NAP by visiting <https://webapp.rma.usda.gov/apps/actuarialinformationbrowser2017/CropCriteria.aspx>.

NAP basic coverage is available at 55 percent of the average market price for crop losses that exceed 50 percent of expected production, with higher levels of coverage, up to 65 percent of their expected production at 100 percent of the average market price, including coverage for organics and crops marketed directly to consumers.

Deadlines for coverage vary by state and crop. To learn more about NAP visit www.fsa.usda.gov/nap or contact your local USDA Service Center. <http://offices.usda.gov>.

Federal crop insurance coverage is sold and delivered solely through private insurance agents. Agent lists are available at all USDA Service Centers or at USDA's online Agent Locator: <http://prodwebnlb.rma.usda.gov/apps/AgentLocator/#>. Producers can use the USDA Cost Estimator, <https://ewebapp.rma.usda.gov/apps/costestimator/Default.aspx>, to predict insurance premium costs.

Update Your Records

FSA is cleaning up our producer record database. If you have any unreported changes of address, zip code, phone number, email address or an incorrect name or business name on file they need to be reported to our office. Changes in your farm operation, like the addition of a farm by lease or purchase, need to be reported to our office as well. Producers participating in FSA and NRCS programs are required to timely report changes in their farming operation to the County Committee in writing and update their CCC-902 Farm Operating Plan.

If you have any updates or corrections, please call your local FSA office to update your records.

Breaking New Ground

Agricultural producers are reminded to consult with FSA and NRCS before breaking out new ground for production purposes as doing so without prior authorization may put a producer's federal farm program benefits in jeopardy. This is especially true for land that must meet Highly Erodible Land (HEL) and Wetland Conservation (WC) provisions.

Producers with HEL determined soils are required to apply tillage, crop residue and rotational requirements as specified in their conservation plan.

Producers should notify FSA as a first point of contact prior to conducting land clearing or drainage type projects to ensure the proposed actions meet compliance criteria such as clearing any trees to create new cropland, then these areas will need to be reviewed to ensure such work will not risk your eligibility for benefits.

Landowners and operators complete the Form AD-1026 - Highly Erodible Land Conservation (HEL) and Wetland Conservation (WC) Certification to identify the proposed action and allow FSA to determine whether a referral to Natural Resources Conservation Service (NRCS) for further review is necessary.

Supervised Credit

Farm Service Agency (FSA) Farm Loan programs are considered supervised credit. Unlike loans from a commercial lender, FSA loans are intended to be temporary in nature. Therefore, it is our goal to help you graduate to commercial credit, and our farm loan staff is available to help borrowers through training and credit counseling.

The FSA team will help borrowers identify their goals to ensure financial success. Through this process, FSA staff will advise borrowers in developing strategies and a plan to meet your operation's goals and graduate to commercial credit. Ultimately, the borrower is responsible for the success of the farming operation, but FSA's staff will help in an advisory role to provide the tools necessary to help you achieve your operational goals and manage your finances.

For more information on FSA farm loan programs, visit www.fsa.usda.gov.

Preauthorized Debit Available for Farm Loan Borrowers

USDA Farm Service Agency (FSA) has implemented preauthorized debit (PAD) for Farm Loan Program (FLP) borrowers. PAD is a voluntary and alternative method for making weekly, bi-weekly, monthly, quarterly, semi-annual or annual payments on loans.

PAD payments are preauthorized transactions that allow the National Financial and Accounting Operations Center (NFAOC) to electronically collect loan payments from a customer's account at a financial institution.

PAD may be useful for borrowers who use nonfarm income from regular wages or salary to make payments on loans or adjustment offers or for payments from seasonal produce stands. PAD can only be established for future payments.

To request PAD, customers, along with their financial institution, must fill out Form RD 3550-28. This form has no expiration date, but a separate Form RD 3550-28 must be completed for each loan to which payments are to be applied. A fillable form can be accessed on the USDA Rural Development (RD) website at <http://www.rd.usda.gov/publications/regulations-guidelines>. Click forms and search for "Form 3550-28."

If you have a "filter" on the account at your financial institution, you will need to provide the financial institution with the following information: Origination ID: 1220040804, Agency Name: USDA RD DCFO.

PAD is offered by FSA at no cost. Check with your financial institution to discuss any potential cost. Preauthorized debit has no expiration date, but you can cancel at any time by submitting a written request to your local FSA office. If a preauthorized debit agreement receives three payment rejections within a three month period, the preauthorized debt agreement will be cancelled by FSA. The payment amount and due date of your loan is not affected by a cancellation of preauthorized debit. You are responsible to ensure your full payment is made by the due date.

For more information about PAD, contact your local FSA office. To find a local FSA office, visit <http://offices.usda.gov>

Selected Interest Rates for February 2018

- Farm Operating Loans — Direct 3.125%
- Farm Ownership Loans — Direct 3.750%
- Farm Ownership Loans — Direct Down Payment, Beginning Farmer or Rancher — 1.50%
- Emergency Loans — 3.750%
- Farm Storage Facility Loans (3 years) — 2.125%
- Farm Storage Facility Loans (5 years) — 2.250%
- Farm Storage Facility Loans (7 years) — 2.375%
- Farm Storage Facility Loans (10 years) — 2.500%
- Farm Storage Facility Loans (12 years) — 2.500%
- Sugar Storage Facility Loans (15 year term) — 2.625%
- Commodity Loans — 2.750%

USDA is an equal opportunity provider, employer and lender. To file a complaint of discrimination, write: USDA, Office of the Assistant Secretary for Civil Rights, Office of Adjudication, 1400 Independence Ave., SW, Washington, DC 20250-9410 or call (866) 632-9992 (Toll-free Customer Service), (800) 877-8339 (Local or Federal relay), (866) 377-8642 (Relay voice users).